

WASHINGTON, D.C. - Today, Congresswoman Linda T. Sánchez delivered a letter to Chairman Frank Wolf and Ranking Member Alan Mollohan of the House Science-State-Commerce-Justice Appropriations Subcommittee (SSJC) in support of the Small Business Administration's Microloan Program.

For the past two years, President Bush's budget has requested zero funding for this vital program. However, Congress has repeatedly ignored the President's recommendation and funded the program. Congresswoman Sánchez initiated this letter of support to maintain and increase the amount of funding for the Microloan Program.

"We know that small businesses are the engines of our local economies and not funding this program would leave a great void in the ability of aspiring entrepreneurs to start up new businesses," said Congresswoman Linda Sánchez.

The bipartisan letter was signed by 63 of her House colleagues. The letter asks appropriators to fund the Microloan Program at a level of \$20 million for lending capital and \$17 million in technical assistance for Fiscal Year 2006. This is an increase from last year's appropriation of \$15 million for lending capital and \$14 million on technical assistance.

"It is so important that we protect the funding for the Microloan Program. Statistics prove the worth of this program," added Congresswoman Sánchez.

The Microloan provides resources to promising small business entrepreneurs by assisting them in realizing their business goals. The program helps entrepreneurs when they are not served by private sector banks or the SBA's 7(a) loan program. A typical Microloan borrower often lacks credit experience, collateral, and normal businesses training. The unprecedented 1 percent default rate for Microloan borrowers demonstrates that the technical assistance component is key to ensuring success.

Since the program's inception in 1992, it has made over 21,000 loans for more than \$250 million primarily to women and minority entrepreneurs. Last year, the Microloan Program provided over 2,400 entrepreneurs with \$23 million in capital and technical assistance nationwide. In California alone, \$2.2 million was distributed under the Microloan Program.